

MINUTES
ENERGY FACILITY SITE EVALUATION
COUNCIL OF WASHINGTON
April 19, 2004 Meeting

925 Plum Street S.E., Building 4, Room 308
Olympia, Washington 98501 1:30 p.m.

ITEM 1: CALL TO ORDER

CHAIR LUCE: The Washington State Energy Facility Site Evaluation Council meeting for Monday, April 19, 2004 will come to order. Clerk, call the roll, please.

ITEM 2: ROLL CALL

EFSEC Council Members

Community, Trade & Economic Development

Department of Ecology

Department of Fish & Wildlife

Department of Natural Resources

Utilities and Transportation Commission

Chair

Richard Fryhling

Hedia Adelsman

Chris Towne

Tony Ifie

Tim Sweeney

Jim Luce

MR. MILLS: And there is a quorum.

OTHERS IN ATTENDANCE

EFSEC STAFF AND COUNSEL

Allen Fiksdal

Mike Mills

Shaun Linse, Court Reporter

Irina Makarow

Ann Essko, AAG

EFSEC GUESTS

Don Davidson – Ecology

Darrel Peeples – Kittitas Valley Wind Project

Mark Anderson – CTED EP

Karen McGaffey – Perkins Coie

Mot Hedges – Energy Northwest

Jim Hurson – Kittitas County (via phone)

David Reich – Ecology

John Lane – CFE Kittitas Valley Wind Project

Lauri Vigue – WDFW

Alan Harger – WSDOT

John Arbuckle – Energy Northwest

Clay White – Kittitas County (via phone)

NO. 3: APPROVAL OF MINUTES

CHAIR LUCE: We have before us the March 15, 2004 Council minutes. Have members had a chance to read the minutes?

MS. TOWNE: I have reviewed the minutes and provided edits of a nonsubstantive nature to Mariah Laamb who will incorporate them.

CHAIR LUCE: Are there any other corrections or additions to the minutes?

MS. ADELSMAN: No.

CHAIR LUCE: Is there a motion to approve the minutes as presented?

MS. TOWNE: I so move.

CHAIR LUCE: There's a motion to approve.

MS. ADELSMAN: Second.

CHAIR LUCE: The second is heard. Call for the question.

MR. IFIE: Call for the question.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: The minutes are approved for March 15, 2004 with the nonsubstantive edits provided by Chairperson Towne.

ITEM NO. 4: ADOPTION OF PROPOSED AGENDA

CHAIR LUCE: Thank you very much. The next matter concerns the adoption of the proposed agenda. Councilmembers have the agenda before them. Are there any changes, additions, or deletions to the proposed agenda? OK, the agenda is adopted.

ITEM NO. 5: SATSOP COMBUSTION TURBINE PROJECT

CHAIR LUCE: The next item on the agenda is a public hearing on the Satsop Combustion Turbine Project request for a technical amendment regarding water use, and we will now convene the public hearing. The public hearing is separate from the regular meeting of the Washington State Energy Facility Site Evaluation Council, so I will note for the record that we are now going into a public hearing for that purpose.

<i>Public Comment Hearing</i>	<i>Jim Luce, EFSEC Chair</i>
--------------------------------------	-------------------------------------

The Public Comment Hearing was held from 1:40 p.m. to 1:45 p.m. A separate transcript was prepared and presented to EFSEC on that portion of the afternoon meeting.

<i>Consideration of Amendment Request</i>	<i>Mike Mills, EFSEC Staff</i>
--------------------------------------------------	---------------------------------------

CHAIR LUCE: I got ahead of myself a little bit there. Tony, you've already had your question answered. Are there other questions from Councilmembers regarding this issue?

MR. MILLS: Jim, if I could, I would like to have Ms. McGaffey representing Duke Energy and Energy Northwest brief the Council on the proposed amendment request and then staff will make its recommendation.

CHAIR LUCE: Thank you. Ms. McGaffey.

MS. McGAFFEY: By letter dated February 12, we submitted a request to the Council along with a copy of a memorandum of understanding entered into between both the certificate holders and the Department of Fish and Wildlife, and the Department of Ecology. That letter and that memorandum of understanding requested two things from the Council. First of all, some clarifying amendment language in the SCA addressed to water use provisions, and, secondly, confirmation from the Council by resolution confirming your agreement to the system for applying the low flow water restrictions that was developed by the certificate holders and agreed to by the Department of Ecology and the Department of Fish and Wildlife.

I believe that all of you have in your packet today Draft Resolution No. 309; that the easiest thing for me to do might be to walk through this document for you. It illustrates the request that we made. The first request concerns the clarifying amendments which begin on Page 2 of this document, the indented language on that page, and starting at the top of Page 3, as well, our provisions taken from the site certification agreement with underlying language that we're suggesting be added and strike-through language that we suggest to be deleted. All of these provisions concern the water authorization in the site certification agreement.

The original site certification agreement allowed up to a maximum of 9.5 cfs to be withdrawn from the wells at the site and used in various ways for the project. The amendments that the certificate holders are proposing jointly with the agencies would simplify those provisions and reduce the maximum total withdrawal to 9.2 cfs. The second substantive issue to which I referred begins on Page 3 of the resolution, and that's the methodology for implementing the base flow restrictions.

The water use authorization in the site certification agreement is subject to restrictions when the base flows established by Ecology for the Chehalis River are not being met for the water flow or those base flow levels. The certificate holders had several discussions with the Department of Ecology and the Department of Fish and Wildlife about how that would be implemented in practice and agreed upon a system where the gauge that is located near the site will be used to determine the flow in the river and running a 24-hour average flow, will be monitored. And if that is below the base flow levels, then the base flow restrictions would come into effect. This resolution clarifies how that would be implemented in practice. It also clarifies that the certificate holders during periods in which the base flow restrictions are in effect would be required either to purchase other water that is not subject to base flow restrictions or would be required to stop operating the facility.

Beginning on Page 4 of the resolution, the resolution walks through your regulatory requirements for adopting the technical amendments to site certification agreements. Essentially, you need to consider three issues. First, whether the amendment is consistent with the intention of the original SCA. Second, whether it's consistent with the applicable laws and rules. And, third, whether it's consistent with the public health, safety, and welfare. On the following pages, resolution of those three factors are discussed in turn. At the top of Page 5 there's a discussion of how the amendment, the suggested amendments are consistent with the original intention of the SCA. They continue to limit the water use for the project. In fact, reduce water use above and beyond what was required in the original SCA. The second requirement about being consistent with applicable laws and rules we see on the bottom of Page 5, and Page 6 there's a discussion on how EFSEC staff complied with SEPA and how the amendments that are being suggested are consistent with the Council's requirements for technical amendments. Finally at the bottom of Page 6, you see a brief discussion of how the amendments are consistent with public health, safety, and welfare. If anything, the reduction of water withdrawals would be an environmental

benefit for the project and would be consistent with public health, safety, and welfare. So for those reasons we are asking that the Council adopt by resolution the amendments and the confirmation of the methodologies for these flow restrictions. Thank you.

CHAIR LUCE: Thank you. Any questions?

MS. TOWNE: Yes. Ms. McGaffey, I must be slow this afternoon. Too good a lunch. You talk about withdrawal from the Ranney wells as the action under consideration, and we're talking about flow restrictions in the Chehalis River. You have a ground water withdrawal and a surface water measurement. Is there direct hydraulic continuity?

MS. MCGAFFEY: Yes. The Ranney wells are located very close to the river. I think essentially all the water comes from the river for those wells, which is why in the original site certification agreement those base flow limitations were included.

MS. TOWNE: I had another question on Page 5, B(1), Line 4, "has reviewed the proposed changes to reduce the water use authorization-related provisions." Are we reducing or are we modifying them?

MS. MCGAFFEY: I think you're modifying the provisions but, the effect of the modification is a reduction to the maximum withdrawal from 9.5 cfs to 9.2, so I agree with you that that language is a little awkward.

MS. TOWNE: Yeah. There was one more. Page 6, Sub C, Line 1, on the WAC cite, it should be -050 I think.

MS. MCGAFFEY: Right. That's right.

MR. MILLS: I've also asked Don Davidson with the Department of Ecology who worked with the company on the memorandum of understanding to make a brief comment about his interest in pursuing the modification that is before you today. Don.

CHAIR LUCE: Thank you, Ms. McGaffey.

MR. DAVIDSON: I don't know that I can add much to this. Karen has walked through this with pretty good specificity. I was part of the negotiating group that worked on this amendment. Lauri Vigue & Hal Beecher with the Department of Fish and Wildlife; and myself and Karen McGaffey and other folks from Duke Energy: We arrived at this memorandum of understanding to make the memorandum correspond more closely to the current design of the facility. It included more specifics around monitoring, specifically using the 24-hour averaging-type system. It specified a formula that would be used, if necessary, if the gauge was not operating properly. It outlined some specifics in water purchase agreement and records, gauge projection, and temperature monitoring. It was a somewhat arduous process that lasted several months, but I think we are all in agreement that it was a worthwhile process in the end. We do have a good memorandum of agreement here.

MS. ADELSMAN: Mr. Chair, I had a question.

CHAIR LUCE: Yes.

MS. ADELSMAN: A lot of this relies on the USGS gauge, and I know we hear that the USGS is studying a lot on this.

MR. DAVIDSON: Yes.

MS. ADELSMAN: Are there going to be alternatives or options that are being explored by both the company and the agencies?

MR. DAVIDSON: Not to my knowledge. The company is paying for the operation and maintenance of the gauge. We do recognize that there are some dangers to the gauge I guess, if you will, through vandalism, logs, whatever in the river that could take out the gauge, so we've specified a formula in the MOU in case that does happen. But, again, operation and maintenance

of the gauge is the company's responsibility in this case. It does not rely on state funds, to my knowledge.

CHAIR LUCE: Any other questions? Thank you, sir. Back to the Council. Any other questions from the Council? Councilmembers are aware this discussion has been ongoing for the better part of a year and a half; is that fair? Or for the better part of a year in any case. It sounds to me like a fair and equitable resolution has been reached. My recommendation would be to approve the memorandum of understanding as written. There may be a couple technical corrections that are necessary, but I am sure that those can be clarified. I would ask for a vote, a recommendation for approval. Does anyone want to make the recommendation?

MR. IFIE: I understood that Mike was going to give us staff's recommendation.

CHAIR LUCE: Oh, I'm sorry. Mike.

MR. MILLS: I would be happy to do that. Staff recommends that the Council approve Resolution 309 as drafted. We will make those technical edits that Chris brought up. Staff certainly supports the agreement and the discussion of them that went on over the past year with the company and with the two state agencies, and we do support the memorandum of understanding and the agreements that are reflected in that and would recommend the Council approve the resolution and MOU that will be attached to that.

CHAIR LUCE: Thank you. I would support the staff's recommendation. Would anyone care to make a motion along those lines?

MS. TOWNE: So move.

MR. IFIE: Second.

MS. TOWNE: Then I have a quick comment. In the body of the resolution itself at the top of Page 7, we're approving the technical amendment outlined in Section A of the document clarifying amendment. Is it sufficient to make that the action as opposed to accepting the memorandum of understanding and the clarifying amendment description in Section A?

CHAIR LUCE: Well, I'm going to ask staff to take a look at this with the Applicant and Ecology and clarify that, and they will do so. It's in everybody's interest to get it right. So assuming that they will do that and knowing that they will do that, do we have a call for the question?

MR. SWEENEY: Question.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: Approved.

MR. MILLS: Thank you.

ITEM NO. 6: ENERGY NORTHWEST COLUMBIA GENERATING STATION

COLUMBIA GENERATING STATION

<i>Operational Status</i>	<i>Mot Hedges, Energy Northwest</i>
----------------------------------	--------------------------------------------

CHAIR LUCE: The next item on the agenda is the Energy Northwest Columbia Generating Station.

MR. ARBUCKLE: I would like to introduce Mot Hedges over here. He's my replacement as state liaison for Energy Northwest. I recently took a new position within the company, so we have a couple things to talk about today. One is the Columbia status and then also request for closure of Resolution No. 266.

CHAIR LUCE: Okay. Thank you. Is it Mot or Lamont?

MR. HEDGES: Mot, M-o-t.

CHAIR LUCE: Why don't you tell us something about yourself, Mot, so we know a little bit about you.

MR. HEDGES: I've been with Energy Northwest for 11 years. I've been in the nuclear power industry since 1975. My background is chemistry. This is the fourth utility I've have worked at. The most recent I came into Energy Northwest as a corporate chemist and took a different job. I was one of the licensed SROs on staff and control room supervisors. I got tired of shift work and came over to replace John as the state liaison. I've worked with Mike before as the corporate chemist, so I had some involvement with the environmental side several years ago, but I've been the last several years in the operation side of the plant.

CHAIR LUCE: Welcome.

MR. HEDGES: Thank you.

CHAIR LUCE: What do you have to tell us today?

MR. HEDGES: Plant status. The plant's operating at 100 percent power. We've been on line for the 291st day, and everything is going well. We're here today to request consideration of an amendment proposal to I guess terminate the non-radiological monitoring program that we've been doing. We've been monitoring the non-radiological areas around the plant for 20 years, and we've seen no impact in the 20 years of the plant operation. And so we are requesting that we be allowed to stop the non-radiological monitoring program. I think that's currently being monitored under Resolution 266.

CHAIR LUCE: Okay. Thank you. Does staff have a report on this?

<i>Consideration of Amendment Request</i>	<i>Mike Mills, EFSEC Staff</i>
--------------------------------------------------	---------------------------------------

MR. MILLS: Yes. I believe in your packets you have Draft Resolution 310 titled Energy Northwest Columbia Generating Station Termination of Non-Radiological Environmental Monitoring Program. As Mot said, the company compiled a report that had over 20 years of sampling data. This was reviewed by the Department of Ecology and the Department of Fish and Wildlife, and they support the company's request that the Non-Radiological Environmental Monitoring Program be terminated and that Resolution 266 be closed out. And that would be staff's recommendation as proposed in Resolution 310.

CHAIR LUCE: All right. What, if any, would be the benefit of continuing this?

MR. MILLS: Well, we continue to have data. Again, over the course of 20 years of operational history we have not seen an impact from the plant.

CHAIR LUCE: That's what I wanted to know. Questions from the Council? All right. Do we have a motion?

MS. TOWNE: So moved or move the adoption of Resolution No. 310 terminating the Non-Radiological Environmental Monitoring Program of the Columbia Generating Station.

CHAIR LUCE: Is there a second?

MR. FRYHLING: Second.

CHAIR LUCE: Call for the question.

MR. FRYHLING: Question.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: All ayes, no noes. Motion passes.

MR. MILLS: Great.

MR. HEDGES: Thank you.

CHAIR LUCE: Terminated. Thank you.

MR. ARBUCKLE: I would like to add I've truly enjoyed working with Council and staff in my tenure as a state liaison, and I'm going to miss you guys.

CHAIR LUCE: Where are you going to go now?

MR. ARBUCKLE: Oh, I work in another department. I now work in quality assurance.

MR. FRYHLING: We'll come by and visit you.

MR. MILLS: From staff I would like to thank John Arbuckle for the work that he's done representing Energy Northwest before the Council. He's been very easy to work with, and I think during the time that he was the state liaison we were able to work cooperatively and accomplish the tasks that we felt were necessary. Thank you, John.

MR. ARBUCKLE: Thank you.

CHAIR LUCE: We had lot of fun on WNP-1/4.

MR. ARBUCKLE: Yes, that was -- is it done?

CHAIR LUCE: No.

MR. ARBUCKLE: It was good.

CHAIR LUCE: We got some good work done.

MR. ARBUCKLE: We got a lot of good work.

CHAIR LUCE: You contributed to that significantly and we appreciate that.

MR. ARBUCKLE: Thank you.

CHAIR LUCE: All right. The next item on the agenda is WNP-1/4. Mike, do you have a report?

WNP-1/4

<i>Offsite Mitigation</i>	<i>Mike Mills, EFSEC Staff</i>
---------------------------	--------------------------------

MR. MILLS: I'll just briefly comment that we're continuing to work with the Department of Fish and Wildlife. Jeff Taylor, Regional Director out of Yakima, is in discussion with the property owner of a large piece of shrub-steppe habitat property, and we're waiting the results of that. He's indicated that he believes the sale is possible, and we will be working with the Department very closely on that. Jim has shared our support for that project, and there's a couple of issues that he's going to talk with the director of the Department of Fish and Wildlife about, and the committee will meet after this meeting to kind of informally go over the status of where we are right now. I don't think I have anything else to add. I just wanted to bring members up to date.

CHAIR LUCE: Okay.

MR. IFIE: Quick question on that. Do we have controls in place with regard or some I guess boundaries in negotiation between Fish and Wildlife and the potential seller of this shrub-steppe or do they have open hand; they can negotiate to whatever amount they want to?

CHAIR LUCE: That's one of the issues. We have 3.5 million dollars in our account, and the seller of the shrub-steppe habitat obviously wants to be fairly compensated. We do not know what the amount of that compensation is at this point in time. So what the committee needs to do, and what I'm going to encourage the director to do is to make sure that a fair and reasonable price is paid, but that -- well, I'll just stop there, -- that's a fair and reasonable price is paid. We also have two other issues outstanding which are O & M costs, and there's another project which we would like to accomplish within the same three and a half million dollars which is called Badger Mountain that has the strong support of the City of Richland and Benton County and a civic group known as the Friends of Badger Mountain. I think it's 750 acres for is it \$600,000?

MR. MILLS: Closer to \$600,000. It's 700 acres for \$600,000.

CHAIR LUCE: \$600,000.

MR. MILLS: About that.

CHAIR LUCE: So what I don't want to do is have -- we're not in the negotiations, so that's a problem. And either I think we need to be in a seat at the table to understand what the negotiations look like and the price or we need to get a better feel for how these negotiations are being conducted. Maybe that's the best way to put it.

MR. IFIE: Are they going to be using some objective criteria like an appraisal done by some independent party?

CHAIR LUCE: I would hope so. I think that would be encouraged.

MS. TOWNE: The state has a set of rules for the acquisition of lands that requires one or more, maybe more than one appraisal and has a set of criteria.

MS. ADELSMAN: On the value, yes.

MS. TOWNE: Presumably Fish and Wildlife having conducted many acquisitions of land is acquainted with those. The question is who's driving the process? Who makes the decision? Do we or do --

CHAIR LUCE: The state in this case or at least Mr. Taylor asked whether we would be willing to purchase it directly from Rocky Mountain Elk, and I don't think Rocky Mountain Elk would have the same obligations to get the appraisal.

MS. TOWNE: But we would.

CHAIR LUCE: We would, right. There's some process issues here that need to be worked out and clarified. We want to pay a fair price. Let's put it that way.

MR. IFIE: Thank you.

CHAIR LUCE: I think in my absence Mike can explain this to you in more detail.

MR. IFIE: Okay.

MR. MILLS: Okay.

ITEM NO. 7: PROJECT UPDATES

<i>Kittitas Valley Wind Power Project</i>	<i>Irina Makarow, EFSEC Staff</i>
CHAIR LUCE: Project updates. We have wind. Is anyone on the phone for wind projects?	
MR. HURSON: Jim Hurson.	
CHAIR LUCE: Oh, there he is. Anyone else, Mr. Hurson?	
MR. HURSON: Clay White is with me.	
CHAIR LUCE: Clay White's with you. What about our representative from Kittitas County?	
MR. HURSON: I don't know. I don't talk to her about this.	
CHAIR LUCE: I thought you might share a phone, you know.	
MR. HURSON: We make sure we're on different ends of the town when this is going on.	
CHAIR LUCE: Well, we like that separation. That's very admirable. Go ahead.	
MS. MAKAROW: Our project updates will be rather short today. With respect the Kittitas Valley, there's actually nothing to report. Staff is working towards establishing the development and schedule for the Supplemental Draft EIS that Councilmember Tony Ifie inquired about at the last meeting. It would address off-site alternatives, and I believe at the next Council meeting in May we will have a much better handle as to when we expect that to be issued to the public for comment.	
<i>Wild Horse Wind Power Project</i>	<i>Irina Makarow, EFSEC Staff</i>
MS. MAKAROW: For the Wild Horse Wind Power Project, we are still working with Jones & Stokes on finalizing the completeness letter, and last week we did receive a draft from Jones &	

Stokes. And we used that opportunity to tie up some loose ends of issues that were addressed in the letter with the applicant, and I believe that the letter should be completed sometime this week. So we will be forwarding it as soon as we receive it. The other update is with regards to the scoping meetings which are going to be happening this Thursday. I believe all of the travel has been arranged. For those of you who are car pooling with staff out of Olympia, we will be departing Olympia at 7:00 a.m. in the morning, and we'll be picking up Chris Towne at 8:15 at the North Bend Starbucks beside the Safeway there.

MS. ADELSMAN: She's buying coffee.

MS. MAKAROW: She's buying coffee too. Very good. Are there any questions about any of the travel arrangements meetings for the Wild Horse project? Finally, in your packets I believe there is a copy here from the County which appointed Patti Johnson as the Councilmember for the Wild Horse project also. So Patti will be joining us on Thursday, and that is all I have to report on Wild Horse.

<i>BP Cherry Point Project</i>	<i>Irina Makarow, EFSEC Staff</i>
---------------------------------------	------------------------------------------

MS. MAKAROW: For BP, I have conferred with Karen McGaffey. Apparently neither the Applicant nor the County have any updates as to their conceptual agreement. That means we will have to wait another few weeks before we see the agreement itself. With regards to the issue of reissuing the waste water draft permit for comment again, staff has been working with our Assistant AG, Ann Essko, on defining exactly what part of that permit would be reissued for comment. And we've come to the conclusion what we are going to do is we're going to take the draft state waste discharge permit that was issued previously for comment and break that into two. The NPDES portion which addresses the storm water requirements would be reissued for public comment, and then the state waste discharge portion which addresses the process water issues has already gone through comments, so it is ready to be addressed by our permit writer and then brought to the Council for their consideration during their deliberations regarding this project. And, finally, for BP, Shapiro is working very hard on preparing the Final EIS in responding to the Draft EIS comments. If you have any questions, I can certainly answer them. Hearing none, I will pass it on to Mike.

<i>Chehalis Generation Facility 2</i>	<i>Mike Mills, EFSEC Staff</i>
----------------------------------------------	---------------------------------------

MR. MILLS: The Chehalis Generation Facility, I spoke with Duncan McCaig on Friday, and he provided the following information. The plant has been down the past four weeks for economic reasons. This is the time of year that they would expect to be down, but Duncan indicated that they have used the time to conduct staff training and to get a head start on fixing plant systems and equipment that were planned for their regular May maintenance outage. They do expect to start the plant up this week, and they'll use that opportunity to conduct noise testing of the plant equipment and at the site boundaries, and, again, they're reporting that information to staff weekly. Chehalis Power has also been working on preparing an air operating permit application, and Irina and I met with them last week. We expect that to be submitted in the future. That concludes my report.

ITEM NO. 8: EFSEC CONTRACTS - FY 2005 RENEWALS

CHAIR LUCE: EFSEC Contracts 2005 Renewals is next on the agenda.

MR. MILLS: Yes. I provided members with a report entitled Compliance Monitoring Program.

MS. LAAMB: I placed it right after the resolution, so it's earlier in your packets.

MS. ADELSMAN: In the back of here for 2005?

MR. MILLS: Yes. The report provides some background information on the compliance monitoring program that the Council conducts in cooperation with our certificate holders. It talks a little bit about each project and the type of inspections and monitoring that we conduct for those facilities. You know that the compliance monitoring program is carried out primarily through interagency agreements with the agencies that are listed and talked about in this paper. The action that we're requesting today is related to monitoring and inspections that are done in support of the Energy Northwest's Columbia Generating Station operating nuclear plant. On the back page, I have listed the contract renewals that staff will be asking that the Council consider today.

<i>Military/EMD – EP, Health – EP, Health – Audit, Agriculture – EP, State Patrol - EP</i>

<i>Mike Mills, EFSEC Staff</i>

MR. MILLS: First is the Military Department, Emergency Management Division, and that's for emergency preparedness for the Columbia Generating Station (Columbia). The department's requesting \$621,176 in support of the work that they do for the emergency planning. For the Department of Health emergency preparedness, the department is requesting \$466,000, again, in support of the Columbia Emergency Plan. Health also conducts an environmental audit program, and they're requesting \$244,000 for fiscal year 2005. The Department of Agriculture also supports emergency preparedness, and they're requesting \$103,062 for fiscal year 2005. Finally, the State Patrol is requesting \$9,000 in support of the emergency preparedness program. I have attempted to describe the functions and the activities that those departments carry out in the text, and I guess would be available to answer any questions about the proposals.

MR. FIKSDAL: If I can ask a question first, Mike. Compared to last year's contract how do these compare? Are they roughly the same?

MR. MILLS: They're roughly the same. Military was \$601,000. The bulk of their increase is the Benton and Franklin County contracts went up about five thousand dollars, and the department had an increase in its indirect cost rate, so they went from 601,000 to 621,000. The Department of Health - EP was at 460, 460 for FY '04. The Department of Health - Audit was at \$240,000, so that's up about \$4,000. The Department of Agriculture is the same, and the State Patrol is the same, so they're slight increases in Military and Health - EP and Audit.

CHAIR LUCE: These are done pursuant to an existing memorandum of understanding we have.

MR. MILLS: We have a longstanding memorandum of understanding for the emergency preparedness work, and the Council has also approved by resolution a four-year funding plan for the Columbia Emergency Preparedness Program. Fiscal year 2005 is the final year of that four-year deal.

CHAIR LUCE: So this is done pursuant to agreements already in place.

MR. MILLS: Yes, these are ongoing.

CHAIR LUCE: So in 2005 we're going to have to start renegotiating these.

MR. MILLS: Yes, for 2006. Today we are considering the 2005 contracts. For 2006 and beyond we would have to renegotiate. I've spoken to all of the agencies and the counties about that, and the first part of next year calendar year 2005, staff will call a meeting with all of the parties and hopefully we can reach a resolution on what would again be a four-year plan. It seems to work the best with the departments having some certainty that they're going to receive funding, particularly for the smaller counties. That's very important that they have that certainty that they're going to get some funding to continue this program.

MS. ADELSMAN: Mike, I had a question.

MR. MILLS: Yes.

MS. ADELSMAN: You said this is relating to the Columbia Generating Plant. How about all the other plants? Is there monitoring already in place for FY '05?

MR. MILLS: It's not in place, and I will bring those contracts to you in about a month from now at your second May meeting. I have focused on the Columbia project first, particularly the emergency preparedness work, because there's six counties that are subcontracted through the Military Department contract. So I would like to get that one in place first, and then I will work with the other agencies. I still have to meet with the Department of Ecology who does an audit program for Columbia out of the Kennewick office, and the Department of Fish and Wildlife mitigation program as per mentioned Lauri Vigue. She's our lead officer for Columbia and also for the Satsop and Chehalis projects. And then we also have a contract with the Department of Ecology Air Program that covers all of our projects, and I will bring that to you in May.

MR. FIKSDAL: So this is just for the emergency preparedness portion.

MR. MILLS: Primarily emergency preparedness, with also the health audit contract.

MR. IFIE: Question. Can you address what kind of feedback we're getting from Energy Northwest in terms of how the rates are going? I mean what is the trend of this?

MR. MILLS: I shared this information with Bill Kiel last week. We've talked about it. For our Columbia budget for FY '05, we're estimating 1.6 million, and with these contracts today and the remaining contract amounts, plus our staff, we're at about 1.595 million right now.

MS. ADELSMAN: We still have two agencies.

MS. TOWNE: Not on Columbia.

MS. ADELSMAN: Yes, Ecology and Columbia.

MR. MILLS: I have included those in that total, so we're close to the cap or the number that we've talked about with Energy Northwest, so they're aware how much money we would be committing against that 1.6 million.

MR. IFIE: They don't have any major heartburn with that?

MR. MILLS: They have not indicated any major heartburn to me. I think Energy Northwest is always concerned about the Council's spending ratepayer money, and, again, we tried to keep within the budget limits that have been established, and I think we have done that and will do that for the next fiscal year.

MR. FIKSDAL: These contracts are in place so that the state can meet the requirements for FEMA and NRC for energy preparedness for the Columbia Generating Station. And if the state doesn't meet the requirements, ultimately Columbia Generating Station could have to shut down. So there is a reason that Energy Northwest needs to fund at an adequate rate the contracts that the Council provides to those state agencies. It's always a question on how much is enough, and I think there's agreement, this four-year agreement, that has been in place has really worked wonders for getting to these contracts each year because it used to be a tooth pulling exercise every year, and they had negotiations between each agency and Energy Northwest and EFSEC. It was a long drawn out battle all the time. So this has been simplified, and the agreement four years ago was that the state would basically keep at the existing level of preparedness, and that the amount of money would remain relatively constant except for some inflation changes. And that's what I think you're seeing in some of this is some increase to salaries and benefits for some of the employees of the different agencies, plus the counties have a little bit of increased personnel costs.

MR. IFIE: What would be the difference between the negotiations that you went through this time compared to what's going to happen the next time for FY 2006?

MR. MILLS: Well, I hope it's not too much different. Again, I think as Allen pointed out it is a requirement that we have this program in place to support their plan which is required by the two federal agencies. Again, though I think if we're looking at a new deal or a four-year longer term, then we'll need agreement on the guidelines and the requirements. And as with this four-year agreement and the one prior to it allowed, the areas that we would consider for increases were mandated salary and/or cost of living increases, that would be passed on primarily for staff because this program the way I view it is to provide people support. It's not to be used for equipment and other kinds of things. This money that goes to emergency preparedness is focused at staff. And so I think it would be just going over the guidelines for the program, looking forward during that four-year time frame how many drills do we have to have, how many graded exercises are there, and just kind of reestablishing the priorities and then any funding of some of the guidelines that we would need. Again, I think it would be tailored upon the existing agreements.

MR. FIKSDAL: I think if the state weren't meeting its requirements from FEMA or NRC, if they were failing some of the requirements or failing some of the exercises, then the agencies might be asking for more money. But I think what we're looking at is that the state is meeting the requirements. If they are getting passing marks on those exercises, then there shouldn't be a dramatic need for increase in the contracts.

MS. ADELSMAN: Mike, we just approved the resolution to stop the monitoring program for non-radiological.

MR. MILLS: Correct.

MS. ADELSMAN: How much money would that save Columbia? I'm assuming it's contracted. Was that in a contract or were they doing it themselves?

MR. MILLS: They were doing it themselves. But it does have a savings to them because they have to do the on-ground monitoring. I just don't know the amount.

MS. TOWNE: Don't they do flyover aerial photography?

MR. MILLS: They do flyovers also. In fact, we started this discussion about a year ago, and because we didn't conclude it last year they went ahead and did the 2003 samples. But it would have a cost savings to them.

CHAIR LUCE: We also approved the WNP-1/4 settlement which basically led them to take existing money in a pot and use the miracle of compound interest to stretch that until 2024, so they didn't have to take money out of the pockets, out of their pockets, actually out of Bonneville ratepayer pockets, let that build up over time, so that they wouldn't have to run the risk of increasing Bonneville rates which is what this is all about. Energy Northwest funding comes directly from Bonneville. This is not about Energy Northwest. This is about Bonneville. Bonneville is putting the squeeze appropriately so on Energy Northwest to come up with every cost savings because they're under significant financial stress. So I think if you really wanted to crunch the numbers and see what it would have cost for Energy Northwest to clean up WNP-1/4 right away as we could have argued, that would have been about 80 to 100 million dollars right now. Instead we didn't do that. We took three and a half million dollars in mitigation funds now and basically rolled off the rest until 2024. So, you know, when you complain a lot about a million dollars here to protect the public health and safety, it doesn't ring quite as true as it might otherwise. But it's going to be a difficult negotiation because they're between a rock and a hard spot Bonneville is financially.

MR. MILLS: Well, I'll note we're seeing articles now, and I was just told today that the company is going through a RIF process. So to save money they're terminating employees. So they are under extreme scrutiny by Bonneville Power as Jim spoke to.

CHAIR LUCE: And they may be willing -- I mean they're the ones that are at risk from their regulators, and I don't think this at all, but they may say they're willing to take additional risk from their regulators that would cause them to incur shutdowns to save money on things like Military and Health contracts.

MR. FIKSDAL: I'd state that they won't want to have that risk.

CHAIR LUCE: I'm not saying they do.

MR. MILLS: I don't think the emergency preparedness or the related requirements are going to go away.

CHAIR LUCE: Agreed. All I'm saying is it's not going to be as easy a negotiation as it was the last time.

MR. MILLS: No, it won't, and that's true.

CHAIR LUCE: Do we have a motion to approve?

MR. FIKSDAL: I guess I need to ask a question. Mike, do we need to approve these individually or is one approval okay for all of them?

MR. MILLS: I don't remember if we did them individually.

MR. FIKSDAL: I think that would be best.

CHAIR LUCE: Motion to approve Military.

MR. IFIE: So move.

MS. ADELSMAN: Second.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye. Motion to approve Health - EP.

MR. FRYHLING: So move.

MS. TOWNE: Second.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: Motion to approve Health.

MS. TOWNE: We did that.

MR. SWEENEY: There's two Health contracts.

CHAIR LUCE: Health Audit.

MR. IFIE: I so move.

MS. ADELSMAN: Second.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: Motion to approve Agriculture - EP.

MS. ADELSMAN: I so move.

MS. TOWNE: Second.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: Motion to approve State Patrol - EP.

MR. SWEENEY: So move.

MS. TOWNE: Second.

CHAIR LUCE: All in favor say aye.

COUNCILMEMBERS: Aye.

CHAIR LUCE: Thank you, Mike.
MR. MILLS: Thank you.

ITEM NO. 9: EFSEC RULES

<i>Rules Review Discussion</i>	<i>Allen Fiksdal, EFSEC Manager</i>
--------------------------------	-------------------------------------

CHAIR LUCE: Okay. EFSEC rules review discussion. Allen.

MR. FIKSDAL: Thank you. As you probably know the Council has gone through its rules, and we have sent a version up to the code reviser. We have also placed that version on our website, and we have sent out a notice for a public comment meeting that will take place starting at two o'clock at your next meeting on Monday, May 3. So this went out to our rule. This notice that you have -- I think it's on goldenrod -- went out to our mailing list for rules, and it's an opportunity for anybody to comment on the latest version of the rules that we have sent to the code reviser and have placed on our website. Also at your next meeting on May 3, we will have a spreadsheet from Chuck Carelli that will have some issues. We'll get that spreadsheet out to you before that meeting. That should be discussed at that May 3 meeting. It will have to do with some of the responses to the comments and what's the proper response to some of the comments that we've received on some of the rules, some of the earlier comments. And I think it's appropriate that the Council look at those comments and then give Chuck some guidance on what your response would be to those comments. And that's all I have on rules. Just to note that when we sent this up to the code reviser, which was about a week and a half ago or maybe two weeks ago, they said it would take between four to six weeks to get the copies back to us.

MS. TOWNE: Allen, I think the public comment meeting notice is a model of clarity. I just have a question about the box, about the withdrawal of our proposed CO2 mitigation rule, and it by implication says there won't be a mitigation rule, but there will in fact because the law that passed requires it.

MR. FIKSDAL: But this isn't part of this rule making.

MS. TOWNE: Correct. And it says there is no need for an EFSEC CO2 mitigation rule. Well, this is separate and distinct from

MR. FIKSDAL: Right. But the rule will not be a mitigation program. It will be how to implement the law, so it will be an activity not a mitigation rule.

MS. TOWNE: We may want to clarify that at the public meeting.

MR. FIKSDAL: That would be just fine. That's all I have on rules, Mr. Chairman.

CHAIR LUCE: Great.

MS. ADELSMAN: So have we picked an official date for the public hearing?

MR. FIKSDAL: No. Once the rules come back from the code reviser we'll have to look at them to ensure that they made all the changes. I think if there's any changes as a result of comments we get on May 3, that's the time to make them, and then get the final, final copy back from the code reviser. And then we will need -- Dave, I guess do we need your small business economic impact statement done before we issue the CR 102?

MR. REICH: Yes.

MR. FIKSDAL: We basically send that out with the CR 102.

MR. REICH: Yes, it's a final copy of the one I'm submitting.

MR. FIKSDAL: So we'll have to get all the final, final version of the rules and the small business economic impact report or whatever it's called.

MS. ADELSMAN: So we're talking about July.

MR. FIKSDAL: Hopefully we're anticipating the first part of June, but we'll see.

CHAIR LUCE: Do you have enough based on the rules that are on the website to complete the SBEIS?

MR. REICH: Yeah, I'm hoping to get a draft to you guys late this week. It would be a draft for your review.

MS. ADELSMAN: And the cost benefit analysis.

MR. REICH: Well, we dropped that. We're just doing a SBEIS.

MS. ADELSMAN: Oh, that's right. That's right.

ITEM NO. 10: EFSEC OPERATIONS

<i>Update</i>	<i>Allen Fiksdal, EFSEC Manager</i>
---------------	-------------------------------------

CHAIR LUCE: EFSEC operations.

MR. FIKSDAL: According to our schedule that Mike had during April, the Council was going to identify those activities that may be deemed as nonattributable work, and you have a green sheet that says Draft Draft Draft EFSEC Nonattributable Work. What I've tried to do was define what nonattributable work was, and the definition says "nonattributable work are those activities by EFSEC members, staff, or contractors that are conducted and charged to EFSEC and are not directly or specifically related to or in support of the Council's conduct of any potential site study, application processing, or compliance monitoring of energy facilities that is undergoing active study, review or monitoring at that time." And Chris has generously offered some great editorial changes that we'll look at. But I was trying to get some definition of what that means, and then examples of that definition would be rule making. It would be new or amendment to the rule that would not impact current applicants or certificate holders or they would not be subject to conferences, participation, or attendance at conferences that do not apply to information, methods, technologies, policies, or practices used in application or used for compliance monitoring.

Then in the other category which is public information involvement, such as answering questions; public information requests; interagency coordination (federal, state, and local agencies); meetings on transmission lines and LNG siting issues; discussion with potential applicants; and discussions with legislative personnel.

CHAIR LUCE: I would add and members.

MR. FIKSDAL: And members. Okay. Now these are some of the things that you've heard before, and I don't know if you want to add to this list, take off the list, or whatnot. Down below is this box of draft policy. Next month you are scheduled to look at and develop a draft policy on this. And I thought I'd just get a jump start with this, and you can start considering something like this for your next meeting in May. But I think what you need to do is if you have any ideas about some work activities that I haven't captured that need to be added to the list or if this is okay or not.

MS. ADELSMAN: The question on the rule making was saying that this is not attributable work; that you cannot actually charge to.

MR. FIKSDAL: That is correct.

MS. ADELSMAN: The question I have is today we approved an amendment and a determination.

MS. TOWNE: That counts.

MR. FIKSDAL: That would be attributable.

MS. ADELSMAN: But it is a certificate holder that may come in a year or two.

MR. FIKSDAL: That is right. Again, you have to look at what rule you are applying. The current rule making that you're undergoing there are many changes to the rules that will apply to applicants and certificate holders.

MS. ADELSMAN: Today.

MR. FIKSDAL: As the current ones that we're dealing, and so that would be attributable work. So I would think that they can be charged for that activity. Now if you were implementing let's say a CO2 mitigation rule that for some reason you said wouldn't become effective until a certain date in the future, and that it doesn't affect any of the existing applicants or certificate holders, now that type of work would be a nonattributable type of activity because it doesn't apply to anything that we can charge to as far as an applicant or a certificate holder. But if there's a conference on how to site energy facilities and the types of things that I think go on and we could count it as training, that's a very valid charge to applicants and certificate holders. If we are going to a conference that had to do with, I don't know, future of LNG facilities in Washington, right now we have no LNG applicants, and so the charges for that would be nonattributable.

CHAIR LUCE: Pick on another one. Pick on regional power issues.

MR. FIKSDAL: Regional power.

CHAIR LUCE: From my perspective it's an important issue because it helps you understand the background of what's going on in the industry, and you're meeting with people who are able to explain that to you. Maybe not so much up front from the podium. You're talking to them in the hallways, picking up information. It's critical information that you've got to have, but it's not directly attributable to an applicant before you or necessarily to someone who's already been licensed, so you can't go. You can't charge.

MR. FIKSDAL: I think one of the more difficult ones is the first dot under other, the public information involvement such as answering questions for public information. I think it would be real hard for me to when the phone rings, you know, do I have a dollar thing where I have a little button, "Hello, this is EFSEC. Do you have an account with us? If not, then good-bye"?

CHAIR LUCE: Or reporters.

MR. FIKSDAL: Or reporters or something like that.

CHAIR LUCE: Or freedom of information act requests.

MR. FIKSDAL: Right. I don't know if you really want to get into that detail here. I mean this is being a little snide in some respects. But if you look at the law, that says it's not attributable to a specific application review or monitoring. If the reporter requests about a specific project, there you go. But if it's about general EFSEC procedures, I think, yes, that would be attributable. If it's about how EFSEC is going to deal with LNG facilities in the future, you know, it's going to be kind of hard to say, "I'm sorry. I can't talk to you unless you give me ten dollars" or whatever it is. So that part is kind of the awkward part. I don't know if you actually want to list something like that in work that is nonattributable. What I'm trying to do in this draft policy as you read it is to try to cover those types of situations, and that a certain percentage of our time somehow is going to have to go to those types of activities. And I guess my thought now is just more trying to have you start thinking about the process. Is there a bright line or some specific amount of time that you want to say that it's okay? You know, is it one percent, five percent, ten percent of the time? You know, things are starting to get to five percent of my time which would be two hours a week. Is that the limit of the amount of time that I should be giving to that type of

activity or starting to watch how I deal with things? I think this is going to be a very awkward part of this exercise is, you know, the gray zone. I think any agency has to be responsive to the public no matter who funds the agency. But what's a good policy for direction of this? It's about what we're saying is the cutoff line. Also this is going to help us in the future develop our budget and ask for additional funding.

CHAIR LUCE: And that budget has to go to CTED when?

MR. FIKSDAL: Well, actually it ends up being finalized in July or August.

CHAIR LUCE: So we need to make these decisions. I would encourage we pass the green sheet out certainly to members of the public who have been actively involved in this discussion and let them offer some suggestions because I think that would be really helpful.

MS. ADELSMAN: I have a question. Number one, are you talking about like a discretionary amount that would be the model that it would eventually be coded to?

MR. FIKSDAL: Yes.

MS. ADELSMAN: My second question in regards to the public hearing up the hill was there anything that came out of that?

CHAIR LUCE: We are going to report back to the Senate Energy Committee, Senator Morton during September hearings week.

MR. FIKSDAL: I think the report is how much are we going to ask for in the budget?

CHAIR LUCE: And what progress have we made? How the green sheet is looking? What discussions have we had with other stakeholders? How much are we going to ask for? Is this a tin cup in front my colleagues?

MR. FIKSDAL: The development of the budget is a pretty complex process. First, we submit it to CTED, and then CTED has to submit it to the Governor's office. And the Governor accepts all the agency budgets and develops a Governor's request to the Legislature. So there's lots of hoops that we have to jump through and find out what the priorities are before and see if the Governor wants to support this. I assume he does, but I'm not going to say yes or no right now.

CHAIR LUCE: The lady that was there representing the auditor's office said as much as if they've looked at this issue based on what little they have heard the likelihood is they would recommend a legislative change to our statute, and I don't want to put words in her mouth. But it sounded like a legislative change to provide for some general funds.

MS. TOWNE: Or change our statutes which severely limits, excludes.

MR. FIKSDAL: There's a couple fixes. One is just get the money.

MS. TOWNE: The other is fix the legislation.

MR. FIKSDAL: The other is change the statute that allows for it.

MS. TOWNE: But that would put the cost burden on the applicants and certificate holders.

CHAIR LUCE: Right. Now the other way to do this quite frankly, and we've talked about this a little bit is right now we take what I used to call the peanut butter, well, you know, the peanut butter approach on how to cost base something. You spread it among all the applicants, and the other way to do this is do it on a proportionate basis. Who benefits the most?

MR. FIKSDAL: And that's what we try to do now.

CHAIR LUCE: Well, maybe, yes, and maybe, no. I mean Energy Northwest is complaining a great deal about how much they have to spend, but they have certainly the most revenue coming in. They've got of all the independent and all the power producers, they've got by far and away the deepest pockets. So if you wanted to do it on the basis of who's really generating revenue, who can afford to pay, you take a hard look at saying Energy Northwest. I mean I'm just going to name off a couple, not because somebody's in the audience. But you could look at Sumas 2.

Well, they've got a license and a piece of dirt. Wallula they've got a license and a piece of dirt. A number of others have got a license and a piece of dirt, and they're getting charged with no revenue stream at all. Energy Northwest has got the license, a piece of dirt, and they're making millions, hundreds of millions.

MS. ADELSMAN: At the same time if you look at the trend in the last seven years up the hill about cost recovery, and they've passed a lot of bills that says the agencies can start recovering the costs of all the services. I mean they don't really talk about whether somebody is making a million, billion, or I mean it's a service that we're providing, and it has some form and a cost recovery that says we charge for whoever you're giving the service to.

CHAIR LUCE: Precisely. What's the service? There's more service provided I would argue if you've got an up and running plant than there is if you've got a license and a piece of dirt. There are just different theories about how you allocate costs in the utility industry. And, Tim, you could extol on that and so could I, but it's not the place to do it right now. But there are different ways of looking at how you allocate costs.

MR. SWEENEY: I can tell you we've never done it based on the ability to pay. It always either been a prorated amount based on the amount of work generated or what you described as the peanut butter approach from a baseline, but never would we do it on the basis of ability to pay.

CHAIR LUCE: Well, the peanut butter approach it seems to me is a little simplistic.

MR. SWEENEY: The argument for that is there's a fixed cost that is generated when you come into an operation, and that will be regardless of how small or little or more activity you create after that. You create this baseline, so it's like a base charge you have to pay to get into the door.

CHAIR LUCE: And the other way you do it is?

MR. SWEENEY: And the other way is a prorata which sounds like the way we do it now which is based on the amount of activities generated. So if your activity generates one percent of the activity within the building, your attributable activity, then the unattributable would be rated as one point percent of the unattributable and would go back to it.

CHAIR LUCE: How much activity do we attribute to Wallula?

MR. FIKSDAL: Eight percent.

CHAIR LUCE: How much actual work do we do on Wallula?

MR. SWEENEY: It should be eight percent.

MR. FIKSDAL: It should be eight percent. I don't know what it is. That's the one thing I think we got from this auditor.

CHAIR LUCE: I guess that's what I'm saying is maybe I went overboard by saying profit, but I think we have to take a hard look and see what we actually attribute. So I'm just saying there's a couple different ways to look at this. Maybe not on profits generated, but on work actually attributed to a specific project.

MR. FIKSDAL: I think what the auditor said at the hearing was that if you have like an overhead charge that it needs to be fair and equitable, and you have to have a documented process for developing what that is. I think that's what we need to do is put together documentation of the reason and rationale for the way we charge for our administrative costs. And then, of course, this nonattributable work is part of that administrative process that we are working on.

MR. IFIE: I don't mean to interrupt you, but it seems looking at your document here you're talking about nonattributable. There's also the issue of indirect costs. Is that like we're just saying?

MR. FIKSDAL: No, we have to do that also.

MR. IFIE: Where is your description? Is this just off a definition sheet?

MR. FIKSDAL: That is just part of our -- yeah, we haven't brought that in, but I think when we do the next -- we have a fixed amount that we charge our certificate holders and applicants now. That varies with the work load. When we think there's a different work load or a need to change that, we look at those costs and variables. And the next time we change it we will be back to you with that explanation of documentation of why we are changing to what we do.

MR. IFIE: I think I'm looking at it from your last time. I'm thinking what are the indirect costs? I'm talking about like rent.

MR. FIKSDAL: Computers.

MR. IFIE: Computers.

MR. FIKSDAL: Telephone, computers.

MR. IFIE: Things that are attributable but they're indirect costs but really can't be tied to one person.

MR. FIKSDAL: There are two things going on here. One is the nonattributable which is what people I guess have been complaining a little bit that they don't want to be charged because of the way the law reads. The other is then again how do we just charge in general for those indirect activities? It's a fair question, and I think that we do a pretty good job. We had at sometime in 1998 I believe Energy Northwest was getting charged 35 percent of that indirect charge and right now they're at 32 percent, so it's gone down over time. It's changed over time. As we get more projects, then we change the percentages. If we lose a project, if Wallula for some reason decided they didn't want to continue with their site certification agreement, they wanted to cancel that, that would go away. And that eight percent is going to have to fly someplace across the board, so everybody else's would go up a bit. If we get a new application, everybody's will go down.

MR. SWEENEY: Do we have a handle on how much is not attributable?

MR. FIKSDAL: It isn't a whole lot. I think the major concern has been this past year with the rule making. In most cases without rule making, it's going to be I don't want to say an insignificant number, but it's not a very large number. I mean in the tens of thousands of dollars I guess are not nonattributable. Something like that per year. Depends on the project. Energy Northwest is going to have more, maybe 10 to 15 thousand. Someone like Wallula if it's nonattributable type work, it would only be worth a thousand or five thousand. I don't know. It depends on the work load; what we do.

CHAIR LUCE: Karen, do you have a comment?

MS. McGAFFEY: Yes, just briefly. I mean I'm listening to this conversation. A lot of the discussion is using particular terminology like directly attributable or indirectly attributable or unattributable costs. Just as the Council considers this issue further I would encourage you to look at the language that's in the statute because in the statute it's not enough that cost be attributable indirectly to a project. The statute is very specific about it being directly attributable to specific activities with respect to the project. I think that's above and beyond the issue that Allen has identified about completely unattributable costs. There's that second issue. I think it's probably important for all of us to take a close look at the language in the statute when we consider it.

MS. TOWNE: Good advice.

CHAIR LUCE: Great. Anything else for the good of the order?

MS. TOWNE: Yes. I have one since we've been talking about costs. Looking at the progress report on BP and looking at the costs incurred for the contractor on the EIS and the various tasks,

those are big numbers, and I would like at some not too distant time in the future to look at how we scope activities for contractors, particularly the preparation of the draft and final EIS response to comments on the EIS. There's got to be a way to obey the letter and intent of SEPA which is the EIS as being as brief and concise as possible. And having spent the weekend wading through the Wild Horse application and reading information that will surely end up in the EIS, some of it appropriately, some of it probably not appropriately, I would like to have a conversation about how we structure those contracts. I'm concerned about the costs. We're talking nickels and dimes on the unattributable stuff, and we're talking hundreds of thousands. And I am confident there's room to compress the efforts expended into dollars that go with it.

CHAIR LUCE: Good subject.

MS. ADELSMAN: I think I agree with Chris because when I read the application on the Cherry Point EIS, I was amazed on how much of the same information that's in both documents. And I am sitting there, and I don't know if the consultants are here. I am thinking are they charging just for cutting and pasting from one document to another and how much is it per hour because that could be my next job? I could make a lot of money just to cut and paste from one place to another, but I think it's really a very good point to look at.

CHAIR LUCE: I would suggest that maybe Chris and Hedia meet with Allen and Irina. In fact, I strongly suggest that.

MS. ADELSMAN: Irina is saying no.

MS. TOWNE: Yes, we'll do it. We're good at this.

MR. SWEENEY: I've heard that saying before.

MS. ADELSMAN: We'll get together.

MR. FRYHLING: Who is this attributable to? I'm serious.

MS. ADELSMAN: Some of us are not charging a lot of our time.

MR. FIKSDAL: We are.

CHAIR LUCE: We've had this discussion before. Trust me. We've had this discussion.

MR. FIKSDAL: We have this about every two years.

MS. ADELSMAN: Maybe Chris and I should do it then.

MS. TOWNE: Well, it's time. Not since I've been here, but that's less than two years. And I don't care if you've talked about it before. By the size of the numbers it's time to talk again and then act.

MS. ADELSMAN: I think Wild Horse is maybe a good place to start looking at this.

MR. PEEPLES: Just going back to kind of what we're talking about, the language in the statute has separate criteria to a certain extent from applications which is a bit broader and certificate holders which I think is real narrow. I just want to point out which you probably already realize is you may be going through a period starting in a year or so where you're not going to have any applications, and all you're going to have is certificate holders. And I just want to emphasize I think when we go, you know, I think we all plan to go to the legislature with you. I think you should be looking at getting the biggest amount you can from general funding. And I think as you go forward now, I think that should be foremost in the mind because I don't think you're going to get very many more applications for the next five years, and you can be operating on existing certificate holders which may be fairly few within a year or so.

ITEM NO. 11: OTHER

MR. FIKSDAL: I have one other topic.

CHAIR LUCE: Good.

MR. FIKSDAL: It's my privilege to present two people here with awards for service to the State of Washington. One is for Irina. She gets her five-year service pin, and for some unknown reason you too get your five-year service pin.

MS. TOWNE: You haven't been here five years.

CHAIR LUCE: We used to call those lifer pins, you know.

MR. FIKSDAL: Evidently he worked for some sort of government. It wasn't federal. It was a PERS thing, so it counts. He's been here five years.

CHAIR LUCE: Thank you. You know what this means? This means PERS I.

MR. FIKSDAL: We have one other thing. Jim's not going to be here for his birthday, so we are going to give him a birthday card. Happy birthday.

ITEM NO. 12: ADJOURN

MS. TOWNE: Are you going to adjourn us?

CHAIR LUCE: Not until you sing me happy birthday. Adjourned.

(Council meeting adjourned at 2:53 p.m.)